

Exhibit A
April through July Fee Application

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.¹) Case No. 01-01139 (JJF)
) (Jointly Administered)
)
Debtors.)

**VERIFIED APPLICATION OF REED SMITH LLP FOR COMPENSATION FOR
SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL ASBESTOS
PRODUCTS LIABILITY DEFENSE COUNSEL TO DEBTORS, FOR THE INTERIM
PERIOD FROM APRIL 2, 2001 THROUGH JULY 31, 2001**

Pursuant to sections 327, 330 and 331 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), Fed. R. Bankr. P. 2016, the Retention Order (as defined below), the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the "Interim Compensation Order") and Del.Bankr.LR 2016-2, the law firm of Reed Smith LLP ("Applicant" or "Reed Smith"), Special Asbestos Products Liability Defense Counsel for the above-captioned debtors and debtors in possession (collectively, the "Debtors") in their Chapter 11 cases, hereby applies for an order allowing it (i) compensation in the amount of \$40,583.00 for the reasonable and

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food >N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

necessary legal services Reed Smith has rendered to the Debtors and (ii) reimbursement for the actual and necessary expenses that Reed Smith incurred in the amount of \$356.92 (the "Application"), for the period from April 2, 2001, through July 31, 2001 (the "Fee Period"). In support of this Application, Reed Smith respectfully states as follows:

Retention of and Continuing Disinterestedness of Reed Smith

1. On April 2, 2001 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases"). On April 2, 2001, the Court entered an order procedurally consolidating the Chapter 11 Cases for administrative purposes only. Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On July 19, 2001, the Debtors were authorized by the Court to retain Reed Smith as Special Asbestos Products Liability Defense Counsel, effective as of the Petition Date ("Retention Order"). This Retention Order authorizes the Debtors to compensate Reed Smith at Reed Smith's hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and all applicable local rules and orders of this Court. On May 3, 2001 this Court entered the Interim Compensation Order, pursuant to which this Fee Application is being filed.

3. As disclosed in the Affidavit of James J. Restivo, Jr. in Support of the Application of the Debtors to employ Reed Smith LLP as Special Defense Counsel for the Debtors in Asbestos Product Liability Actions, (the "Restivo Affidavit"), filed July 2, 2001, Reed Smith does not hold or represent any interest adverse to the estates, and is a disinterested person as that term is

defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code.

4. Reed Smith may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and the Chapter 11 Cases. Reed Smith disclosed in the Restivo Affidavit its connections to parties-in-interest that it has been able to ascertain using its reasonable efforts. Reed Smith will update the Restivo Affidavit when necessary and when Reed Smith becomes aware of any material new information.

5. This is the first application for interim compensation for services rendered that Reed Smith has filed with the Bankruptcy Court in connection with the Chapter 11 Cases.

Reasonable and Necessary Services Rendered by Reed Smith

6. The Reed Smith attorneys who rendered professional services in the Chapter 11 Cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
James J. Restivo, Jr.	Partner	30 Years	Litigation	\$380.00	25.9	\$10,101.00
Lawrence E. Flatley	Partner	26 Years	Litigation	\$340.00	21.8	\$7,412.00
Douglas E. Cameron	Partner	17 Years	Litigation	\$325.00	43.8	\$14,235.00
James W. Bentz	Partner	13 Years	Litigation	\$260.00	21.0	\$5,460.00
Stephen J. DelSole	Associate	9 Years	Litigation	\$250.00	13.50	\$3,375.00

Total Fees: \$40,583.00

7. Each of the persons who has performed service herein has kept daily time records setting forth the services and time expended in connection herewith.

8. The rates described above are Reed Smith's hourly rates for services of this type. Attached as Exhibit A is a detailed itemization and description of the services that Reed Smith rendered during the Fee Period. Based on these rates and the services performed by each individual, the reasonable value of such services is \$40,583.00 [80% = \$32,466.40]. The Reed Smith attorneys expended a total of 126.00 hours for these cases during the Fee Period. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

9. Further, Exhibit A (a) identifies the individuals that rendered the services, (b) describes each activity or service that each individual performed and (c) states the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services.

Actual and Necessary Expenses

10. It is Reed Smith's policy to charge its clients in all areas of practice for identifiable non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is Reed Smith's policy to charge its clients only the amount actually incurred by Reed Smith in connection with such items. Examples of such expenses are postage, overnight mail, courier delivery, transportation, overtime expenses, computer assisted legal research, photocopying, out-going facsimile transmissions, airfare, meals, and lodging. With respect to airfare expenses, all travel, by all individuals, is billed at the coach class rate with allowances for class upgrades.

11. Reed Smith charges: (a) \$0.15 per page for duplication. Reed Smith does not charge clients for outgoing telecopier transmissions (other than related toll charges) or for incoming telecopier transmissions.

12. A summary of expenses by type, as well as a detailed itemization and description of the disbursements made by Reed Smith on the Debtors' behalf during the Fee Period is attached hereto as Exhibit B. All of these disbursements comprise the requested sum for Reed Smith's out-of-pocket expenses, totaling \$356.92.

Representations

13. Reed Smith believes that the Application is in compliance with the requirements of Del.Bankr.LR 2016-2.

14. Reed Smith performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates, and not on behalf of any committee, creditor or other person.

15. Reed Smith has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these Chapter 11 Cases.

16. Pursuant to Fed. R. Bank. P. 2016(b), Reed Smith has not shared, nor has agreed to share, (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of Reed Smith, or (b) any compensation another person or party has received or may receive in connection with the Chapter 11 Cases.

17. Although every effort has been made to include all fees and expenses from the Fee Period in the Application, some fees and expenses from the Fee Period might not be included in the Application due to accounting and processing delays. Reed Smith reserves the right to make

further application to the Court for allowance of fees and expenses for the Fee Period not included herein.

WHEREFORE, for the reasons set forth above, Applicant respectfully requests this Court to enter an order allowing, authorizing and directing payment of interim compensation in the amount of \$40,583.00 [80% = \$32,466.40] for legal services rendered on behalf of Debtors during the period: April 2, 2001 through July 31, 2001, and reimbursement of expenses incurred during the same period in the amount of \$356.92

Dated: August 28, 2001

REED SMITH LLP

/s/ Kurt F. Gwynne

Kurt F. Gwynne, Esquire (No. 3951)
1201 Market Street, Suite 1500
Wilmington, DE 19801
Telephone: (302) 778-7500
Facsimile: (302) 778-7575
kgwynne@reedsmith.com

and

James J. Restivo, Jr.
Lawrence E. Flatley
Douglas E. Cameron
435 Sixth Avenue
Pittsburgh, PA 15219
Telephone: 412.288.3131
Facsimile: 412-288-3063

Special Asbestos Products Liability Defense
Counsel

REED SMITH LLP
PO Box 360074M
Pittsburgh, PA 15251-6074
Tax ID# 25-0749630

W.R Grace & Co.
One Town Center Road
Boca Raton, FL 33486

Invoice Number 887600
Invoice Date 08/27/01
Client Number 172573

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Re: W. R. Grace & Co.

(60026) Special Abestos Counsel

Fees 40,583.00

TOTAL BALANCE DUE UPON RECEIPT \$ 40,583.00

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REED SMITH LLP
 PO Box 360074M
 Pittsburgh, PA 15251-6074
 Tax ID# 25-0749630

W.R Grace & Co.
 One Town Center Road
 Boca Raton, FL 33486

Invoice Number 887600
 Invoice Date 08/27/01
 Client Number 172573
 Matter Number 60026

=====

Re: (60026) Special Abestos Counsel

FOR PROFESSIONAL SERVICES PROVIDED THROUGH JULY 31, 2001

Date	Name	Hours
04/02/01	Cameron	1.50
	Prepare for and meet with J. Restivo and L. Flatley and conference call regarding Grace issues.	
04/02/01	Flatley	4.00
	With J. Restivo and T. Rea about Grace; reviewing Grace information; review Westbrook draft; with J. Restivo and D. Cameron, including conference call with B. Beber, et al.	
04/03/01	Flatley	1.50
04/04/01	Cameron	1.00
04/05/01	Cameron	2.10
	Prepare for and meet with L. Flatley regarding Grace issues; review billing materials.	
04/05/01	Flatley	1.50
	With D. Cameron re: Grace proposal; revising and circulating Grace outline	
04/06/01	Flatley	2.50
	With J. Restivo; call with R. Finke re: Grace; call with D. Cameron re: Finke call	
04/10/01	Flatley	.50
	Call with R. Finke and follow up on it.	
04/16/01	Flatley	.50
	With J. Restivo re: Grace; message for B. Murphy re: Grace	

172573 W. R. Grace & Co.
 60026 Special Abestos Counsel
 August 27, 2001

Invoice Number 887600
 Page 2

Date	Name	Hours
05/21/01	Cameron	
	Organize materials for Grace bankruptcy issues and retention.	1.80
05/21/01	Restivo	
	Read new Grace bankruptcy material; meeting with J. Bentz.	2.30
05/31/01	Bentz	
	Review of bankruptcy filing material and meeting with J. Restivo re: defending attic fill claims	1.00
05/31/01	Cameron	
	Meet with J. Restivo and telephone conference with R. Finke regarding possible case management order issues; review CMO outline and telephone conference with R. Finke and J. Restivo regarding revisions to same; telephone conference with R. Finke regarding testing issues.	2.80
05/31/01	Restivo	
	Telephone conference with R. Finke and analysis of case management order.	1.30
06/01/01	Bentz	
	Preparation of motion and affidavit re: products liability defense	3.90
06/01/01	Flatley	
	With J. Restivo and D. Cameron re: Grace matters; quick review of Grace correspondence	1.00
06/04/01	Bentz	
	Preparation of Motion and affidavit re: products liability defense	.50
06/06/01	Bentz	
	Review potential conflicts and preparation of motion and affidavit re: products liability defense	2.60
06/07/01	Bentz	
	Reviewing motion and affidavit regarding products liability defense per conference with J. Restivo	2.00
06/07/01	Restivo	
	Review application for approval in Grace bankruptcy	1.00

172573 W. R. Grace & Co.
 60026 Special Abestos Counsel
 August 27, 2001

Invoice Number 887600
 Page 3

Date	Name	Hours	
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06/08/01	Bentz	Revising motion re: products liability defense in Grace bankruptcy	1.50
06/11/01	Cameron	Meet with J. Restivo and telephone conference with B. Beber regarding Grace issues for retention in bankruptcy; review Restivo Affidavit and application for appointment in bankruptcy matter.	1.10
06/11/01	Restivo	Telephone call with B. Beber re litigation plan	.50
06/18/01	Restivo	Telephone conference with Beber and Finke re bankruptcy jurisdiction and subsequent call to R. Finke re same	1.00
06/22/01	Flatley	Call with A. Running re: Grace information with J. Bentz in response to phone message.	.80
06/25/01	Flatley	E-mails about Grace; call with J. Restivo re: Grace; e-mails on Grace project; with S. Del Sole re: Grace project; call with K. Castel.	1.00
06/25/01	Restivo	Telephone call with R. Finke re attorney application and case management order	.50
06/27/01	Flatley	With J. Restivo re: Grace	.30
06/27/01	Restivo	Telephone conference with S. Schwartz re application to Court as Special Counsel; memo to S. Schwartz	1.00
06/28/01	Restivo	Grace -- review attorney submission; calls to S. Schwartz	1.00
06/30/01	Cameron	Review materials relating to Grace bankruptcy and retention for same; review draft memo regarding CMO.	1.10

172573 W. R. Grace & Co.
 60026 Special Abestos Counsel
 August 27, 2001

Invoice Number 887600
 Page 4

Date	Name	Hours
07/02/01	Cameron	2.20
	Meet with J. Restivo regarding Application and Affidavit; various e-mails and telephone conference with Kirkland and Ellis lawyer (S. Schwartz) regarding same; review and revise pleadings regarding same.	
07/02/01	Restivo	.50
	Meeting with D. Cameron re application for approval and affidavit	
07/17/01	Bentz	.40
	Review of Tennison action and calls to S. Schwartz; conference with J. Restivo.	
07/18/01	Bentz	1.20
	Review of materials provided by R. Finke.	
07/19/01	Bentz	1.00
	Review of materials forwarded by R. Finke.	
07/19/01	Cameron	1.20
	Prepare for meeting with Richard Finke and review materials from bankruptcy.	
07/19/01	Flatley	2.40
	With D. Cameron re: status; reviewing documents in preparation for R. Finke meeting.	
07/20/01	Bentz	3.30
	Meeting with R. Finke, J. Restivo, L. Flatley and D. Cameron regarding defense of attic fill cases and status of various defense efforts.	
07/20/01	Cameron	5.80
	Prepare for and attend meeting with R. Finke and Reed Smith team re: strategy for asbestos property damage/attic insulation cases (3.9); lunch meeting with R. Finke and review Grace materials and meet with associates regarding assignment (1.9)	
07/20/01	Flatley	5.80
	Reviewing documents and preparing an agenda for R. Finke meeting (1.50); meeting to discuss strategy with R. Finke, J. Restivo, D. Cameron and J. Bentz and follow up with R. Finke, et	

172573 W. R. Grace & Co.
 60026 Special Asbestos Counsel
 August 27, 2001

Invoice Number 887600
 Page 5

Date	Name	Hours	
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	al. (4.30)		
07/20/01	Restivo	Preparation for and strategy planning meeting with R. Finke, et al.	4.20
07/21/01	Cameron	Review materials from meeting with Richard Finke and prepare outline.	1.40
07/23/01	Cameron	Prepare for and meet with J. Restivo regarding overview of things to do and schedule meeting with bankruptcy counsel (.80); review materials provided by Richard Finke and prepare overview (1.9); telephone conference with R. Finke regarding possible meeting in Chicago (.20); meet with J. Restivo regarding open questions (.30).	2.20
07/23/01	Restivo	Meeting with D. Cameron re: strategic planning; begin review of all relevant pleadings and documents.	3.70
07/24/01	Cameron	Continue review of Bankruptcy, property damage and attic insulation materials and preparation of strategy overview.	4.60
07/25/01	Cameron	Review attic fill materials in preparation for strategy meetings.	1.70
07/25/01	Restivo	Conference re: initial review of all asbestos related bankruptcy filings and related papers.	6.00
07/26/01	Cameron	Review materials in preparation for meeting with J. Restivo regarding organization of defense and strategy (1.9); meet with J. Restivo regarding same (1.8); e-mails and telephone conference with R. Finke regarding meetings and information requests (.70); prepare summary of outstanding property damage claims (.90).	5.30

172573 W. R. Grace & Co.
 60026 Special Asbestos Counsel
 August 27, 2001

Invoice Number 887600
 Page 6

Date	Name	Hours
07/26/01	Restivo	2.50
07/27/01	Bentz	2.00
07/27/01	Cameron	2.80
07/27/01	DelSole	2.50
07/27/01	Restivo	.40
07/30/01	Bentz	1.60
07/30/01	Cameron	1.30
07/30/01	DelSole	3.00
07/31/01	Cameron	3.90

Strategy session and planning review; memo re: same.

Review of background brief filed with the court and materials re pending products liability litigation.

Telephone conference with R. Finke and review materials for meeting in Chicago (1.2); review new materials received from R. Finke (i.e. informational brief, testing data) and decisions relating to expert testimony (.90); review materials relating to tremolite exposure (.70.)

Conference with Attorney Cameron; review of Motion for Entry of Case Management Order and proposed order and case authority on vermiculite claims.

Calls and e-mails to Shirley Pope.

Review of materials re attic insulation cases and materials filed in bankruptcy court.

Telephone conference with R. Finke and e-mails re: conference call and meeting (.3); telephone conference with J. Restivo re: same (.10); prepare outline of cases and responsibility for same (.90).

Continued review and research of opinions and preparation of memoranda on application of Daubert with respect to plaintiff's expert testimony.

Review documents for conference call with R. Finke and T. Hardy (1.7); review new materials received from Kirkland & Ellis and R. Finke (1.3); attend to various requests for information from Kirkland & Ellis (.90)..

172573 W. R. Grace & Co.
 60026 Special Abestos Counsel
 August 27, 2001

Invoice Number 887600
 Page 7

Date	Name	Hours
07/31/01	DelSole	8.00
	Continued research and preparation of memoranda regarding Daubert issues and plaintiff's expert testimony in relation motion for case management order; conference with Attorney Cameron regarding same.	

		TOTAL HOURS
		126.00

TIME SUMMARY	Hours	Rate	Value
James J. Restivo Jr.	25.90	at \$ 390.00	= 10,101.00
Lawrence E. Flatley	21.80	at \$ 340.00	= 7,412.00
Douglas E. Cameron	43.80	at \$ 325.00	= 14,235.00
James W Bentz	21.00	at \$ 260.00	= 5,460.00
Stephen J. DelSole	13.50	at \$ 250.00	= 3,375.00
		CURRENT FEES	40,583.00
		TOTAL BALANCE DUE UPON RECEIPT	\$ 40,583.00

REED SMITH LLP
PO Box 360074M
Pittsburgh, PA 15251-6074
Tax ID# 25-0749630

W.R Grace & Co.
One Town Center Road
Boca Raton, FL 33486

Invoice Number 887600
Invoice Date 08/27/01
Client Number 172573

=====

Re: W. R. Grace & Co.

(60026) Special Abestos Counsel

Expenses 356.92

TOTAL BALANCE DUE UPON RECEIPT \$ 356.92

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REED SMITH LLP
 PO Box 360074M
 Pittsburgh, PA 15251-6074
 Tax ID# 25-0749630

W.R Grace & Co.
 One Town Center Road
 Boca Raton, FL 33486

Invoice Number	887600
Invoice Date	08/27/01
Client Number	172573
Matter Number	60026

=====

Re: (60026) Special Abestos Counsel

FOR COSTS ADVANCED AND EXPENSES INCURRED:

07/10/01	561-362-1533/BOCA RATON, FL/8	1.13
07/17/01	312-861-2000/CHICAGO, IL/2	.31
07/24/01	ATTY # 0559; 98 COPIES	9.80
07/24/01	ATTY # 0559; 34 COPIES	5.10
07/24/01	ATTY # 0559; 30 COPIES	3.00
07/24/01	ATTY # 0559; 130 COPIES	13.00
07/24/01	ATTY # 0559; 52 COPIES	7.80
07/24/01	ATTY # 0559; 157 COPIES	23.55
07/24/01	ATTY # 0559: 8 COPIES	1.20
07/24/01	ATTY # 0559: 2 COPIES	.30
07/24/01	ATTY # 0559: 2 COPIES	.30
07/26/01	ATTY # 0559; 268 COPIES	40.20
07/27/01	D. CAMERON 7/20/01 LUNCH W/R. FINKE	15.98
07/27/01	ATTY # 0559: 14 COPIES	2.10
07/27/01	ATTY # 0559: 5 COPIES	.75

172573 W. R. Grace & Co.
60026 Special Asbestos Counsel
August 27, 2001

Invoice Number 887600
Page 2

07/27/01	ATTY # 0559; 73 COPIES	10.95
07/27/01	ATTY # 0559; 1673 COPIES	167.30
07/27/01	ATTY # 0559; 38 COPIES	5.70
07/27/01	ATTY # 0559; 99 COPIES	14.85
07/27/01	ATTY # 0559; 336 COPIES	33.60
CURRENT EXPENSES		356.92
TOTAL BALANCE DUE UPON RECEIPT		\$ 356.92
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.¹) Case No. 01-01139 (JJF)
) (Jointly Administered)
)
Debtors.)

**SUMMARY OF THE VERIFIED APPLICATION OF REED SMITH LLP FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS
SPECIAL ASBESTOS PRODUCT LIABILITY DEFENSE COUNSEL TO DEBTORS
FOR THE INTERIM PERIOD FROM APRIL 2, 2001 THROUGH JULY 31, 2001**

Name of Applicant:	Reed Smith LLP
Authorized to Provide Professional Services to:	W. R. Grace & Co., et al., Debtors and Debtors-in-Possession
Date of Retention:	July 19, 2001, effective as of April 2, 2001
Period for which compensation and reimbursement is sought:	April 2, 2001 through July 31, 2001
Amount of Compensation sought as actual, Reasonable, and necessary:	\$40,939.92
This an: <input checked="" type="checkbox"/> interim <input type="checkbox"/> final application.	
Prior Applications filed:	No.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food >N Fun Company, Darez Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

As indicated above, this is the first application for interim compensation of services filed with the Bankruptcy Court in the Chapter 11 Cases.²

The total time expended for the preparation of this application is approximately 15 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$4,500.00.

The Reed Smith attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
James J. Restivo, Jr.	Partner	30 Years	Litigation	\$380.00	25.9	\$10,101.00
Lawrence E. Flatley	Partner	26 Years	Litigation	\$340.00	21.8	\$7,412.00
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Stephen J. DeSole	Associate	9 Years	Litigation	\$250.00	13.5	\$3,375.00

Total Fees: \$40,583.00

² Any capitalized terms not defined herein have the meaning ascribed to them in the Verified Application of Reed Smith LLP for Compensation for Services and Reimbursement of Expenses as Special Asbestos Product Liability Defense Counsel to Debtors, for the Interim Period from April 2, 2001 through July 31, 2001.

Expense Summary

Description	Amount
Standard Copies	\$339.50
Telephone	1.44
Travel Meals	<u>15.98</u>
Total	\$356.92

Dated: August 28, 2001

REED SMITH LLP

/s/ Kurt F. Gwynne

Kurt F. Gwynne, Esquire (No. 3951)
1201 Market Street, Suite 1500
Wilmington, DE 19801
Telephone: (302) 778-7500
Facsimile: (302) 778-7575
kgwynne@reedsmith.com

and

James J. Restivo, Jr.
Lawrence E. Flatley
Douglas E. Cameron
435 Sixth Avenue
Pittsburgh, PA 15219
Telephone: 412.288.3131
Facsimile: 412.288.3063

Special Asbestos Products Liability Defense
Counsel

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.¹) Case No. 01-01139 (JJF)
) (Jointly Administered)
)
Debtors.)
)
Objection Deadline: September 17, 2001 at 4:00 p.m.
Hearing Date: TBD only if necessary

NOTICE OF FILING OF FIRST FEE APPLICATION

To: (1) Office of the United States Trustee; (2) Counsel to the Debtors; (3) Counsel to the Official Committee of Unsecured Creditors; (4) Counsel to the Official Committee of Personal Injury Claimants; (5) Counsel to the Official Committee of Property Damage Claimants; (6) Counsel to the Equity Committee; and (7) Counsel to the debtor-in-possession lenders (the "DIP Lenders").

Reed Smith, Special Asbestos Products Liability Defense Counsel to the above-captioned debtors and debtors in possession in the above captioned chapter 11 cases, filed and served

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food >N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

the Verified Application of Reed Smith LLP for Compensation for Services and Reimbursement of Expenses as Special Asbestos Product Liability Defense Counsel to Debtors, for the Interim Period from April 2, 2001 through July 31, 2001 and the Summary in connection therewith, seeking compensation in the amount of \$40,583.00 and reimbursement for actual and necessary expenses in the amount of \$356.92 (the "Fee Application").²

You are required to file with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 6th Floor, Wilmington, Delaware 19801, an objection to the attached Fee Application on or before September 17, 2001 at 4:00 p.m.

At the same time, you must also serve a copy of the objections or responses, if any, upon the following: (i) Reed Smith, Special Asbestos Products Liability Defense Counsel for the Debtors, James J. Restivo, Jr., Esq., Reed Smith LLP, 435 Sixth Avenue, Pittsburgh, PA 15219 (fax no. 412.288.3063); (ii) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312.861.2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302.652.4400); (iii) counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212.806.6006), and Michael R. Lastowski, Esquire, Duane, Morris & Heckscher, LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302.657.4901); (iv) counsel to the Official

² Pursuant to the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, entered on May 3, 2001 (the "Order"), Reed Smith will only be paid \$32,466.40, 80% of the compensation represented in this Fee Application, plus 100% of actual and necessary expenses. Reed Smith will seek approval of the remainder of their compensation in a quarterly fee application that will be filed in accordance with the Order.

Committee of Property Damage Claimants, Scott L. Baena, Esquire, Bilzin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami Florida 33131 (fax number 305.374.7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302.575.1714); (v) counsel to the Official Committee of Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale, 399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212.644.6755), and Matthew G. Zaleski, III, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (vi) counsel to the DIP Lenders, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312.993.9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vii) Counsel to the Equity Committee, Thomas Moers Mayer, Esquire, Krane, Levin, Naftalis & Frankel, LLP, 919 Third Avenue, New York, New York 10022 (fax number 212.715.8000); and (viii) the Office of the United States Trustee, Attn: Frank J. Perch, Esquire, 844 N. King Street, Wilmington, Delaware 19801 (fax number 302.573.6497).

A HEARING ON THE FEE APPLICATION WILL BE HELD ONLY IF
OBJECTIONS OR REONSES ARE FILED.

IF YOU FAIL TO RESPOND OR OBJECT IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUEST IN THE FEE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: August 28, 2001

REED SMITH LLP

/s/ Kurt F. Gwynne

Kurt F. Gwynne, Esquire (No. 3951)
1201 Market Street, Suite 1500
Wilmington, DE 19801
Telephone: (302) 778-7500
Facsimile: (302) 778-7575
kgwynne@reedsmit.com

and

James J. Restivo, Jr.
Lawrence E. Flatley
Douglas E. Cameron
435 Sixth Avenue
Pittsburgh, PA 15219
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In re:) Chapter 11
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W. R. GRACE & CO., et al.¹) Case No. 01-01139 (JJF)
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AFFIDAVIT OF SERVICE

STATE OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

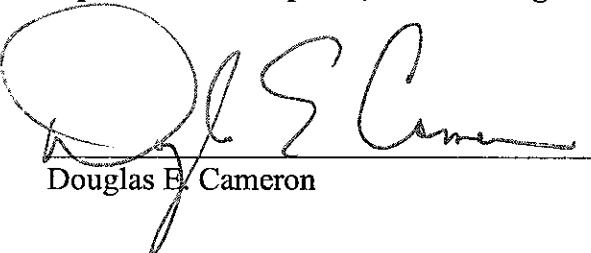
Douglas E. Cameron, being duly sworn according to law, deposes and says that he is employed by the law firm of Reed Smith LLP, and that on the 28th day of August, 2001, he caused a copy of the following document(s) to be served upon the attached service list in the manner indicated:

1. **Notice of Filing of First Fee Application**
2. **Summary of the Verified Application of Reed Smith LLP for Compensation for Services and Reimbursement of Expenses as Special Asbestos Product Liability Defense Counsel to Debtors, for the Interim Period from April 2, 2001 through July 31, 2001**

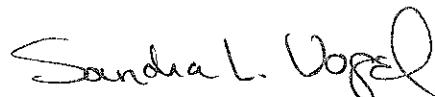
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3. Verified Application of Reed Smith LLP for Compensation for Services and Reimbursement of Expenses as Special Asbestos Products Liability Defense Counsel to Debtors, for the Interim period from April 2, 2001 through July 31, 2001.

Dated: August 28, 2001

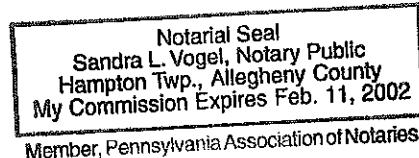

Douglas E. Cameron

Sworn and subscribed before me this
28th day of August, 2001



Notary Public

My Commission Expires: February 11, 2002



Grace Fee Applications Service List
Case Number: 01-1139 (JJF)
Document Number: 23451
May 30, 2001
04 - Hand Delivery
08 - Federal Express

(Counsel to Debtors and Debtors
in Possession)

Laura Davis Jones, Esquire
David Carickhoff, Esquire
Pachulski, Stang, Ziehl, Young & Jones, P.C.
919 North Market Street, 16th Floor
P. O. Box 8705
Wilmington, DE 19899-8705

(Counsel to Debtors and Debtors
in Possession)

Hamid R. Rafatjoo, Esquire
Pachulski, Stang, Ziehl, Young & Jones, P.C.
10100 Santa Monica Boulevard
Los Angeles, CA 90067-4100

(Parcels)

Vito I. DiMaio
Parcels, Inc.
10th & King Streets
P. O. Box 27
Wilmington, DE 19899

Hand Delivery

(Local Counsel to DIP Lender)
Steven M. Yoder, Esquire
The Bayard Firm
222 Delaware Avenue, Suite 900
P. O. Box 25130
Wilmington, DE 19899

Hand Delivery

(Local Counsel to Asbestos Claimants)
Matthew G. Zaleski, III, Esquire
Campbell & Levine, LLC
Chase Manhattan Center
1201 Market Street, 15th Floor
Wilmington, DE 19899

Hand Delivery

(Counsel for Property Damage Claimants)
Michael B. Joseph, Esquire
Ferry & Joseph, P.A.
824 Market Street, Suite 904
Wilmington, DE 19899

Hand Delivery

(Counsel to Official Committee of
Unsecured Creditors)
Michael R. Lastowski, Esquire
Duane, Morris & Heckscher, LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801-1246

Federal Express

(Counsel to Debtor)
James H.M. Sprayregen, Esquire
James Kapp, III, Esquire
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601

Federal Express

(United States Trustee)
Frank J. Perch, Esquire
Office of the United States Trustee
601 Walnut Street, Curtis Center
Suite 950 West
Philadelphia, PA 19106

Federal Express

(W. R. Grace & Co.)

David B. Siegel

W. R. Grace & Co.

7500 Grace Drive

Columbia, MD 21044

Federal Express

(Counsel to Official Committee of
Unsecured Creditors)

William S. Katchen, Esquire

Duane, Morris & Heckscher LLP

1 Riverfront Plaza, 2nd Floor

Newark, NJ 07102

Federal Express

(Official Committee of Personal
Injury Claimants)

Elihu Inselbuch, Esquire

Rita Tobin, Esquire

Caplin & Drysdale, Chartered

399 Park Avenue, 36th Floor

New York, NY 10022

Federal Express

(Counsel to Equity Committee)

Thomas Moers Mayer

Kramer, Levin, Naftalis & Frankel, LLP

919 Third Avenue

New York, NY 10022

Federal Express

(Official Committee of Unsecured Creditors)

Lewis Kruger, Esquire

Stroock & Stroock & Lavan LLP

180 Maiden Lane

New York, NY 10038-4982

Federal Express

(Official Committee of Property Damage
Claimants)

Scott L. Baena, Esquire

Member

Bilzin Sumberg Dunn Baena Price &

Axelrod LLP

First Union Financial Center

200 S. Biscayne Boulevard, Suite 2500

Miami, FL 33131

Federal Express

(Counsel to DIP Lender)

J. Douglas Bacon, Esquire

Latham & Watkins

Sears Tower, Suite 5800

Chicago, IL 60606